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FOR IMMEDIATE RELEASE



PRESS RELEASE

**SAMUEL MANU-TECH INC. REPORTS FOURTH QUARTER AND
FULL YEAR 2009 RESULTS**

Toronto, ON – Samuel Manu-Tech Inc. (TSX – SMT), a leading North American industrial products and technology company, today reported results for the three months and the year ended December 31, 2009.

2009 SUMMARY

- Sales for the year declined 32.5% year over year due to depressed market conditions.
- Operating loss of \$30.2 million for the year reflected lower selling prices and reduced market demand
- Packaging segment full year operating loss \$10.0 million. Returned to profitability in third quarter
- Metal Processing segment full year operating loss \$14.0 million. Certain divisions returned to profitability in fourth quarter
- Pre-tax non-cash impairment charge for goodwill and certain long-lived assets of \$49.1 million taken in fourth quarter
- Net loss of \$54.6 million or \$1.70 per share for the year
- Reduced working capital by \$122.7 million in the year; net borrowings reduced by \$117.2 million

“During 2009, we experienced extremely negative conditions in all of our served markets, which lead to very low levels of production in all of our manufacturing facilities, and, combined with lower selling prices and significant inventory write-downs early in the year, generated significant losses for the Company,” commented Mark C. Samuel, Chairman and CEO. “In addition, the non-cash impairment charge against earnings taken in the fourth quarter of the year reflects the reality of adverse market conditions that caused a decrease in the Company’s stock price and future prospects of certain of our businesses,” he added.

Sales

Sales for the fourth quarter of 2009 were \$161.0 million, a decrease of \$75.6 million or 32.0% from the \$236.6 million achieved in the comparable quarter of last year. The decrease resulted from lower overall volumes and selling prices partially offset by the favourable impact of foreign exchange. The reduction in volumes was due primarily to the economic weakness in North America and the global economy and the resulting decreased demand for most steel products, particularly in the automotive, forestry, metals, capital equipment, and construction sectors. This lower demand in turn has kept commodity prices at depressed levels. The relatively weak Canadian dollar compared to 2008 had a partially offsetting favourable impact on Canadian exports and U.S. based sales compared to last year. Sales for the year ended December 31, 2009 were \$667.7 million, which represents a decrease of \$322.0 million or 32.5% from the \$989.7 million achieved in 2008.

Operating Performance

Operating loss before goodwill and long-lived assets impairment charge, gain on sale of steel pickling operations, restructuring, interest and income taxes for the fourth quarter of 2009 amounted to \$1.6 million compared to an operating loss of \$10.0 million in the same period of last year. The operating loss reflects continued negative operating performance in many of the Company's plants due to lower volumes and the impact of lower selling prices, which have led to significant margin contraction for many of our products. For the year ended December 31, 2009, the Company generated an operating loss of \$30.2 million with losses in both the Packaging and Metal Processing segments, compared to an operating profit of \$38.9 million in 2008.

The Packaging segment had an operating profit of \$0.9 million in the fourth quarter of 2009 compared to an operating loss of \$7.4 million last year with improvements in both Canada and the U.S. The Packaging segment operating loss in the fourth quarter of 2008 included a significant write down of inventories to their net realizable value. The return of the Packaging Segment to profitability reflects the positive impact of cost reduction initiatives as well as greater price stability. For the year ended December 31, 2009, the operating loss was \$10.0 million compared to an operating profit of \$13.0 million earned the prior year, with losses in both Canada and the U.S. The decreased profitability reflected the continued slowdown in the forestry, metals and construction sectors and the negative effects from increased competition.

Operating loss for the Metal Processing segment for the fourth quarter of 2009 was \$0.9 million; compared to an operating profit of \$0.5 million in the comparable quarter of the prior year, with profits at the roll form and steel pickling groups more than offset by the operating losses at the other Metal Processing businesses. Operating profits from roll formed products reflected higher sales while steel pickling operations benefited from increased tons and technology income. Operating losses at the other operations in the Metal Processing segment reflected lower volumes and selling prices and unfavourable product mix. For the year ended December 31, 2009, the Metal Processing segment generated operating losses of \$14.0 million, compared to operating profit of \$36.0 million in the prior year.

The Company has recorded a pre-tax, non-cash impairment charge for goodwill and certain long-lived assets of \$49.1 million (\$30.5 million after tax) as at December 31, 2009. The impairment charge was primarily driven by the continuing impact of the global recession on sales and profitability and resulting adverse equity market conditions that caused a decrease in comparable company trading multiples and the Company's stock price. The Company's market capitalization as at December 31, 2009 was well below the carrying value of its net assets, suggesting an impairment. In addition, actual operating results in certain of the Company's reporting units have not met the Company's forecasts for the year and the considerable economic uncertainty has led management to lower forecast expectations for purposes of the annual impairment test. The non-cash impairment charge did not affect the Company's liquidity, cash flows or debt covenants.

Net loss for the fourth quarter of 2009 was \$33.0 million or \$1.03 per share. The fourth quarter results this year include the goodwill and long-lived asset impairment charge discussed above which negatively impacted earnings by \$0.95 per share. Net loss for the comparable quarter in 2008 was \$46.9 million or \$1.46 per share. The fourth quarter results last year included a goodwill and long-lived assets impairment charge of \$53.6 million (\$38.7 million after tax) and negatively impacted earnings by \$1.20 per share. The fourth quarter results last year also included a restructuring gain of \$0.5 million (\$0.3 million after tax) consisting primarily of a portion of the gain on the sale of the equipment at the Scarborough, Ontario strapping manufacturing facility and positively impacted earnings by \$0.01 per share.

Net loss for 2009 was \$54.6 million or \$1.70 per share compared to a net loss of \$9.3 million or \$0.29 per share last year. The results this year include the goodwill and long-lived assets impairment charge noted above. The results this year also include a pre-tax restructuring gain of \$0.7 (\$0.5 million after tax) consisting of the balance of the gain on the sale of the equipment at the Scarborough, Ontario strapping manufacturing facility, which positively impacted earnings by \$0.01 per share. This compares to the results last year which included the goodwill and long-lived asset impairment charge noted above. Last year's results also included a pre-tax gain of \$15.2 million related to the sale of the Nanticoke, Ontario steel pickling operations. This gain of \$10.4 million after tax positively impacted earnings for the prior year by \$0.32 per share. The results last year also included a pre-tax restructuring charge of \$2.2 million related to the closure of the Scarborough, Ontario strapping manufacturing facility. This restructuring charge of \$1.5 million after tax negatively impacted earnings last year by \$0.05 per share.

Financial Position

Cash flow from operating activities for the fourth quarter of 2009 increased to \$19.5 million from \$7.8 million in the comparable quarter of the previous year reflecting lower losses and decreased requirements for non-cash working capital. Cash used for investing activities in the fourth quarter of 2009 amounted to \$1.1 million, compared to \$10.4 million used in the comparable quarter of 2008, with the decreased use of cash due to significantly lower spending on capital assets in the fourth quarter of 2009. Cash used in financing activities in the fourth quarter of 2009 amounted to \$21.0 million, compared to cash generated of \$5.7 million in the comparable quarter of last year with the increased use of cash due to the repayment of long-term debt.

For the full year, overall cash flow from operating activities increased to \$137.6 million from \$15.2 million in the prior year. The increase reflects decreased requirements for non-cash working capital offset in part by decreased levels of profitability. Working capital at December 31, 2009 was \$177.4 million, a decrease of \$122.7 million from the \$300.1 million at December 31, 2008 with the decrease due to lower receivables and inventories.

The Company's net borrowings at the end of 2009 amounted to \$90.7 million, a decrease of \$117.2 million from \$207.9 million at December 31, 2008. This decrease reflects the decreased spending on capital assets and business acquisitions completed during the year as well as a lower investment in working capital. The Company has continued to meet all of its financial covenants. The net debt to capitalization ratio at the end of 2009 was 25.7% compared to 37.8% at the end of the prior year. The net debt to capitalization ratio includes the impact of the goodwill and long-lived assets impairment charge as described above.

Outlook

Although demand continues to be relatively soft in most key market sectors, the North American and global economies appear to be in the early stages of a gradual economic recovery. This is due to lower finished goods inventory at many manufacturers, the ongoing positive impact of various global stimulus programs and continued improvement in credit markets. The recovery is fragile but does appear to be slowly gathering momentum.

North American steel mills began raising prices for 2010 late in 2009. These price increases were driven primarily by a tightness of supply and rising input costs. In addition, the increases were driven by limited imports, strengthening demand in emerging markets and uncharacteristically low customer inventories. The U.S. economy is showing some signs of improvement, but those signs haven't as yet reached the steel sector, and any real improvement in demand will be very dependent on an increase in consumer spending. The expectation is for very slow growth through the first half of 2010 and a modest improvement in the second half of 2010.

In the first quarter of 2010, stainless steel prices are increasing. These increases are being fueled by rising raw material and nickel prices, reduced supply and slightly improved demand. The outlook is for stainless steel prices to remain volatile in the first half of 2010 with a possibility for further increases in the second quarter.

Any strengthening of the Canadian dollar relative to the U.S. dollar will have a negative impact on the Company's results in 2010. Based on current economic forecasts it is anticipated that the Canadian dollar will strengthen slightly through 2010.

Forecasting continues to be extremely difficult due to the many variables and uncertainties in the North American and global economies. Based on current economic forecasts, the Company's outlook is for a return to profitability in the latter part of 2010. No material improvement in overall market demand in the North American economy is anticipated until late 2010. The Company meanwhile continues to focus on maximizing liquidity, restricting capital expenditures, pursuing all available sales opportunities and reducing its cost structure to deal with these negative market conditions.

Financial Highlights

(\$ millions except per share amounts) Period ended December 31,	Three Months		Full Year	
	2009	2008	2009	2008
Net Sales	\$161.0	\$236.6	\$667.7	\$989.7
Earnings (loss) from Operations*	(\$1.6)	(\$10.0)	(\$30.2)	\$38.9
Goodwill and Long-Lived Assets Impairment Charge	(\$49.1)	(\$53.6)	(\$49.1)	(\$53.6)
Net Loss	(\$33.0)	(\$46.9)	(\$54.6)	(\$9.3)
Basic Loss per Share	(\$1.03)	(\$1.46)	(\$1.70)	(\$0.29)
Cash Flows from Operating Activities	\$19.5	\$7.8	\$137.6	\$15.2

**before goodwill and long-lived assets impairment charge, gain on sale of Steel Pickling operations, restructuring, interest and income taxes*

The Company's Fourth Quarter Report to Shareholders can be found on the Company's website at www.samuelmanutech.com. The Company's 2009 Annual Report to Shareholders will be filed on SEDAR before the end of March, 2010 and will be available on the Company's website and at www.sedar.com at that time.

About Samuel Manu-Tech Inc.

Samuel Manu-Tech Inc. (SMT-TSX) is a leading North American industrial products and technology company producing and distributing a wide range of steel, plastic and related industrial products and services from locations in Canada, United States and Mexico.

Forward looking information

Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. We do not intend to update this information and disclaim any legal obligation to the contrary.

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